

Minutes of the meeting of the Finance Committee of the Board of Directors of the Cook County Health and Hospitals System held Friday, October 18, 2019 at the hour of 9:00 A.M., at 1950 W. Polk Street, in Conference Room 5301, Chicago, Illinois.

I. Attendance/Call to Order

Chair Reiter called the meeting to order.

Present: Chair Robert G. Reiter, Jr. and Directors Hon. Dennis Deer, LCPC, CCFC; Mike Koetting (Substitute Member); and David Ernesto Munar (3)

Board Chair M. Hill Hammock (ex-officio) and Director Ada Mary Gugenheim

Absent: Director Mary B. Richardson-Lowry (1)

Additional attendees and/or presenters were:

Ekerete Akpan – Chief Financial Officer
Charles Jones – Chief Procurement Officer
Jeff McCutchan –General Counsel
Beena Peters, DNP, RN, FACHE – Chief Nursing Officer

Deborah Santana – Secretary to the Board
John Jay Shannon, MD – Chief Executive Officer

II. Public Speakers

Chair Reiter asked the Secretary to call upon the registered public speakers.

The Secretary responded that there were none present.

III. Action Items

A. Minutes of the Finance Committee Meeting, September 20, 2019

Director Munar, seconded by Chair Reiter, moved to accept the Minutes of the Finance Committee Meeting of September 20, 2019. THE MOTION CARRIED UNANIMOUSLY.

B. Contracts and Procurement Items (Attachment #1)

Charles Jones, Chief Procurement Officer, provided an overview of the contractual requests presented for the Committee's consideration. The Committee reviewed and discussed the requests.

Mr. Jones stated that request number 6 (Advanced Care Services) will be reduced by \$149,000.00, to a revised contract increase amount of \$1,511,000.00. Director Deer noted that the contract spend to date exceeded the authority by \$400,000.00; he asked how this can happen under the existing contract management oversight (at using department level and from a financial systems perspective). He noted that this vendor is a Minority-Business Enterprise, and he found out about the overspend when the vendor contacted him because they could not make payroll as a result of not getting paid for the services provided that resulted in the overspend. It was noted that the vendor will not get paid for those services that have already been provided until the CCH Board approves this contract increase. Mr. Jones noted that, when the administration found out about the overspend, Supply Chain increased the contract by \$149,000.00 under the authority of the Chief Executive Officer as an initial way to address the overspend and provide payment to the vendor; because of that increase, this request before the Committee today will be reduced by \$149,000.00.

III. Action Items

B. Contracts and Procurement Items (continued)

With regard to measures being developed at the using level to prevent this from happening again, Dr. Beena Peters, Chief Nursing Officer, indicated that a new process is being developed for tracking nurse agency usage; once it is developed, it will become policy. Director Deer requested that a copy of the process be provided.

Board Chair Hammock inquired whether CCH's financial system sends up a "red flag" when a contract is overspent. Mr. Jones responded that, once fully functional, the new financial system should do that. Director Deer requested that Ekerete Akpan, Chief Financial Officer, provide a real-time timeline as to when the components of the new financial system that relate to that aspect will be fully functional.

With regard to request number 15 (Dayspring Professional Janitorial Service, Inc.), Chair Reiter stated that he will be asking the Committee to withdraw this item and resubmit a revised request for consideration for next week's Board Meeting. He believes that the administration has changed the nature of what this would have turned up in a bidding process, so he feels that a shorter contract extension (rather than one (1) year) is in order while the administration moves forward immediately with the request for proposals process for these services.

Chair Reiter, seconded by Director Deer, moved the approval of request numbers 1 through 24, with the exception of request number 15, which was withdrawn and will be resubmitted to the Board of Directors at their next meeting, and subject to completion of review by Contract Compliance, where appropriate.
THE MOTION CARRIED UNANIMOUSLY.

C. Any items listed under Section III

IV. Report from Chief Procurement Officer

- A. Report on Minority and Women-Owned Business Enterprise (M/WBE) Participation** (Attachment #2)
- B. Report of emergency purchases** (none presented)

Mr. Jones provided an overview of the Report on M/WBE Participation presented for the Committee's information. The Committee reviewed and discussed the information.

V. Report from the Chief Financial Officer (Attachment #3)

- Metrics**
- Financials: August 2019**

Mr. Akpan provided an overview of the metrics and Financials through August 2019. The Committee reviewed and discussed the information.

During the discussion of the Income Statement on slide 6 of the presentation, Director Munar requested that the Committee receive a schedule mapping out the pension liability and revenue, as it is hard to track without it.

VI. Adjourn

As the agenda was exhausted, Chair Reiter declared the meeting ADJOURNED.

Respectfully submitted,
Finance Committee of the
Board of Directors of the
Cook County Health and Hospitals System

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Robert G. Reiter, Jr., Chair

Attest:

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Deborah Santana, Secretary

Follow-up / Requests:

Request: A request was made for a copy of the process being developed by Nursing to better track and monitor nurse agency contract usage. Page 2

Request: A request was made for a real-time timeline regarding when the components of the new financial system will be fully functional. Page 2

Request: A request was made for a schedule that maps out the pension liability and revenue. Page 2